19 November 2021

The Manager, Listings
ASX Limited
Company Announcements Office
Level 4 Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

2021 Annual General Meeting – Chairman's Address and CEO Presentation

We attach a copy of the Chairman's address and the CEO's presentation to be delivered to shareholders at the Senetas Corporation Limited virtual Annual General Meeting to be held today, Friday, 19 November 2021 at 10:30 am (Melbourne time).

Yours sincerely

Brendan Case
Company Secretary

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SENETAS CORPORATION LIMITED

AGM – 19 NOVEMBER 2021

CHAIRMAN'S ADDRESS

The past year has seen another significant step forward in Senetas's journey to broaden its revenue base and invest in higher growth cyber security technologies.

Whilst our consolidated financial results for FY2021 were impacted by early stage losses from our investment in Votiro, underlying business performance was strong. Andrew Wilson will cover the 2021 year results in more detail in his CEO presentation, however, with group revenue up 13% on a constant currency basis, and underlying profit before tax for the Senetas business segment up over 70% on a constant currency basis, the business is in a very sound financial position. And we are very excited about the outlook for our investment in Votiro.

The risk of cyber attack at a personal, government and corporate level poses a security threat greater than any we have previously experienced, and the potential financial losses and impacts on critical infrastructure are enormous. One expert analysis of cyber security incidents targeting small, medium and large Australian businesses that was referenced in the Federal Government's Cyber Security Strategy paper, estimated a potential cost to the economy of $29 billion per year in Australia alone – and cyber attacks are clearly a global problem.

Senetas identified this problem some years ago and looked for suitable investments that would benefit from Senetas's experience in cybersecurity and our key partnerships. We have now invested over US$12 million in Votiro since late 2018 and have a controlling shareholding of just under 70%. The rise of ransomware attacks is one of the most serious global cybersecurity threats and Votiro's Secure File Gateway solution is effective at neutralising those threats – including zero day threats – with 100% efficacy, zero breaches and no latency – providing Senetas with immediate access to a high growth and scalable market opportunity.

Votiro's business model is SAAS based contracts with high end customers (government and large enterprises) with annualised recurrent payments usually initially over 3 to 4 years.

Over the past 18 months Votiro has been restructured with a key focus on sales execution targeting priority markets. A highly experienced management team has been recruited and our new CEO, Ravi Srinivasan, who has outstanding experience in cybersecurity, has commenced in recent months. Votiro has also now established its commercial head office the US which is our key target market.

Again, Andrew will speak in more detail about Votiro's performance in his CEO presentation, but the September 2021 quarter was Votiro's strongest for the calendar year, and almost 80% of September quarter billings were in new and upsell deals.

Since the end of September 2021, Votiro has concluded additional new deals with two agencies of an Asia Pacific government – one of which was Votiro's largest sale to an end client in its history. This new contract for the Secure File Gateway was signed recently with a value to Votiro of over US$1 million per annum for a minimum of 3 years.

This contract is particularly exciting for Votiro because it realises some of the momentum building within the business recently, with strong growth in customer engagement and a record level of proof of concept trials underway through the past 6 months. It also reaffirms the confidence large organisations have in Votiro's Positive Selection technology and adds to the broad range of successful case studies for Votiro across both commercial and government organisations.

Votiro's CDR technology is world leading and it recently won the award for the best overall email security solution of the year in the CyberSecurity Breakthrough Awards Program. CyberSecurity Breakthrough is a leading independent market intelligence organisation that recognises the top companies, technologies and products in the global information security market, and exemplifies the best in cybersecurity technology solutions across the globe.

As we look forward, Senetas is on the cusp of what I think is its most exciting period since I founded the Company more than 20 years ago. Whilst there are some constraints on hardware encryptor sales over the next year due to the global shortage of semiconductors that we outlined in our FY2021 results, our hardware sales pipeline is as strong as its been in many years. The pipeline has increased more than 50% from the same time last year reflecting the successful integration of Gemalto with Thales and the

leveraging of the increased sales force offered by the combined group. We are also seeing very encouraging early signs for SureDrop.

And off the back of the very significant recent contract wins, the outlook for Votiro is very promising. Votiro's pipeline of sales opportunities is continuing to grow with a strong schedule of proof of concept trials through the December quarter and into 2022, and we expect to win some important new contracts within the next few months. With this strong sales momentum, Votiro's annual recurring revenue is anticipated to double in the 2022 calendar year.

I would now like to hand over our Andrew Wilson for his CEO presentation.

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Security without compromise

Senetas Corporation Limited

Annual General Meeting – 19 November 2021

CEO Presentation – Andrew Wilson

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FY2021 Group Highlights

- Group operating revenue of $23.0 million – up 2% on FY2020 (up 13% on a constant currency basis[1])
- Underlying operating profit before tax for the Senetas business segment ($3.4 million) was up more than 70% on a constant currency basis[1]
- With good recent sales wins and a rapidly expanding pipeline Votiro is emerging as a significant growth opportunity. Votiro now has around 400 customers globally and has processed over 5 billion documents with 100% efficacy, zero breaches and no latency
- Group net loss before tax $7.5 million – includes the net loss before tax from Votiro of $10.9 million and reflects non-cash items of $5.0 million relating to Votiro amortisation and share based payments expense
- Group net loss after tax attributable to members of $3.7 million
- Balance sheet remains strong with $11.8 million of cash on hand at 30 June 2021 and no debt

[1] Constant currency movements reflect FY2020 financial results restated at the FY2021 average A$-US$ exchange rate

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KEY FINANCIALS



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FY2021 Consolidated Senetas Group Financials

Full year ended 30 June 2021 ($000's)	FY2021	FY2020*
Revenue from ordinary activities	23,006	22.605
Gross profit	19,578	19,641
Gross Margin %	*85%*	*87%*
Other income	400	712
Depreciation & amortisation	(3,209)	(2,828)
Share of loss of an associate*	-	(1,197)
Profit (loss) before tax	(7,528)	(2,583)
Tax expense	(285)	(696)
Net profit (loss) after tax	(7,813)	(3,279)

*Votiro results consolidated from November 2019. Loss of associate in FY2020 reflects Senetas's share of Votiro results from July-October 2019. FY2020 results are restated for adjustment to share based payments expense

- Revenue growth on a constant currency basis[1] was 13%
- The higher loss reflects the consolidation of a full 12 months of Votiro's results in FY2021 for the first time (8 months in FY2020), including $5.0 million of non cash expenses. Underlying Votiro loss excluding the non-cash items was 7% lower in FY2021
- Tax expense based upon the net profit before tax for the Senetas operating segment

[1] Constant currency change reflects FY2020 financial results restated at the FY2021 average A$-US$ exchange rate

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SENETAS OPERATIONAL UPDATE



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FY2021 Highlights – Senetas Segment

- Senetas segment operating revenue in line with FY2020 – both product sales and maintenance revenue were similar to the prior period
  - Operating revenue up 11% on a constant currency basis
  - Good growth in 100Gbps encryptor sales and across the European and Asia Pacific markets
  - Early signs of a rebound in the US commercial market
  - Maintenance revenue was just over 50% of total revenue
- Almost 90% of Senetas's revenue is in US$ – the strengthening of the A$ against the US$ during the year has had a significant impact on FY2021 reported growth
- Senetas segment net profit before tax in FY2021 was $3.4 million up 3% – on a constant currency basis net profit before tax was up 76%
- Cost reduction initiatives continued to provide benefits throughout FY2021 with corporate overheads down by over 10% compared to the prior period
- Strong growth in the product sales pipeline – working very productively with Thales, the worlds largest cyber security company with sales in excess of €16 billion

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FY2021 Highlights – Senetas Segment

- Key sales highlights in FY2021 included:
  - Senetas's largest ever single order for 100Gbps encryptors
  - The first sales of 100Gbps encryptors into the Australia market
  - The first ever sales of SureDrop in the first half of the year. Overall sales of SureDrop remain quite small although there was some good sales momentum developing in the second half
  - First sales of the new custom algorithm product for Eastern Europe after all regulatory approvals were received earlier in FY2021
- R&D and new product development remains at the core of Senetas's business. The major areas of R&D focus in FY2021 included:
  - Quantum resistant network encryption solutions – Senetas has now released the first to market quantum resistant encryption capabilities in a single platform on its hardware encryptors. The new quantum capabilities are available to all current and future customers seeking to leverage the company's crypto-agile encryption platforms
  - Transport layer independence capabilities for hardware encryptors – Senetas released its new hardware encryptors with transport layer independence capable of operating across Layer 2, 3 and 4 networks environments. First sales of these encryptors were made in the second half of FY2021

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VOTIRO UPDATE

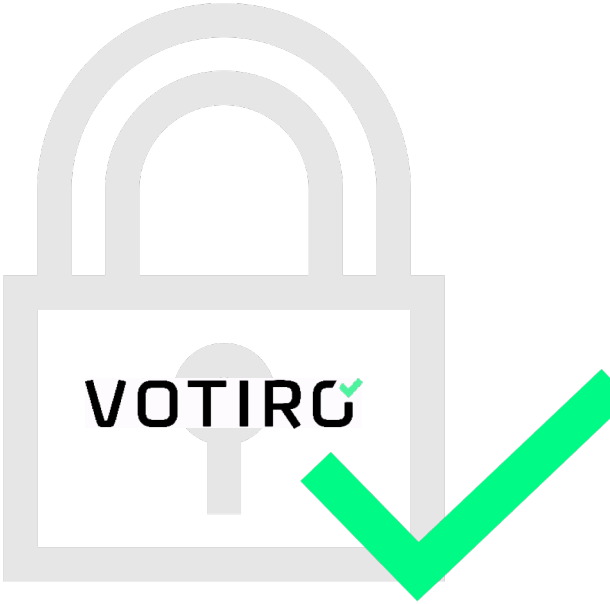


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Votiro Opportunity

- With ransomware attacks becoming more common and more severe, the success of Votiro's Secure File Gateway presents a significant growth opportunity
- Senetas is leveraging its experience in defence grade cybersecurity and its long and deep relationships with US Government agencies, large commercial organisations and Thales as our global distribution partner to help deliver significant benefits to Votiro
- With the record number of proof of concept trials underway and Votiro's success in converting trials into longer term customer contracts a significant uplift in revenue growth in the near term is expected
- Votiro's customers are all marquee major corporates or government organisations



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Votiro Opportunity

- Over the past 18 months the Votiro business has been restructured with a key focus on sales execution and targeting priority markets
  - A highly experienced management team has been recruited including a new CEO, Ravi Srinivasan, who is based in the US and has extensive experience in the cybersecurity industry
  - Votiro has established a physical presence in the US market which is our key target market, and which will become its commercial head office
- Votiro's sales pipeline grew strongly throughout the year, with the majority opportunities being located in the North American and Asia Pacific regions
  - Through the second half of FY2021 Votiro developed a strong schedule of proof of concept trials across both the North American and Asia Pacific regions with government and large commercial customers
  - Historically, Votiro has won customer contracts in over 75% of cases once reaching the proof of concept stage – in the US market it is over 90%

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Key FY2021 Milestones

VOTIRO

- Votiro now has around 400 customers globally and has processed over 5 billion documents with 100% efficacy, zero breaches and no latency
- Votiro's Secure File Gateway has recently received certification via Thales confirming it is suitable for US Government applications
- New relationships established in FY2021 with Thales, Gotham Technology Group and Menlo Security in the US market developing opportunities with government and commercial clients
- Launched a cloud-based SaaS version of the Secure File Gateway solutions – providing customers working within or migrating to the cloud with a scalable way to completely eliminate file-borne attacks carried through email, web downloads, and website uploads
- Major new customers acquired during FY2021 include a Fortune 100 financial services provider with over 50,000 users; a large multi-national bank in the Asia Pacific region with over 40,000 users; and a large South African bank

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FY2021 Financials – Votiro

- Votiro operating revenue contribution to the consolidated Group is up 13% on the prior period (up 27% on a constant currency basis)
- Votiro FY2021 loss before tax of $10.9 million – $4.1 million of which is attributable to the minority interests in Votiro
  - The loss before tax includes $5 million of non-cash share based payments expense and amortisation
  - Votiro's FY2021 loss reflects the first full 12 month period of its consolidation within the Senetas Group (only 8 months in FY2020)
- Underlying Votiro loss before tax excluding the impact of non-cash items was 7% lower in FY2021 than the prior 12 month period – reflecting good revenue growth, partly offset by increased costs relating to Votiro's additional investments into the North American market
- Annual year on year recurring revenue is expected to double in 2022

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FY2022 OUTLOOK



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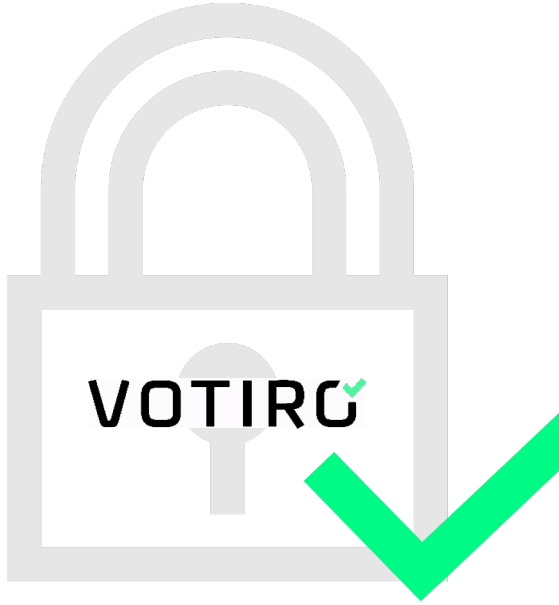
FY2022 Update - Senetas

- Strong sales demand has continued into FY2022 including some large scale sales opportunities presenting in the Middle East and the Americas – sales pipeline is up over 50% compared to the same time last year
- COVID19 impacts remain, with limited in-person access to customers in some markets, and budget constraints for some customers slowing the sales cycle, however, overall the sales pipeline is looking very positive
- As noted in the FY results presentation, production capacity is currently constrained by the global shortage of semiconductors
- Senetas has taken mitigation steps to manage the shortage over the past year but completed product sales are still expected to be slightly lower than FY2021 – maintenance revenue is unaffected
- Whilst still relatively small, SureDrop sales continue to build momentum with more significant sales expected before the end of FY2022

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FY2022 Update - Votiro

- Recent sales successes reaffirm the confidence large organisations have in Votiro's Positive Selection technology – adding to the broad range of successful case studies for Votiro across both commercial and government organisations
- SaaS solution with annual recurring contracts usually over 3 – 4 years
- Largest ever sale of Votiro's Secure File Gateway in October 2021 in the Asia Pacific market – for implementation by a government agency in the region
- The contract is for a minimum of 3 years worth over $US1 million per annum to Votiro
- Follows a strong September 2021 quarter and continued growth in the sales pipeline
- A strong schedule of proof of concept trials underway or upcoming – most of the major opportunities presenting in the North American and Asia Pacific regions



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CEO Presentation – Andrew Wilson

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